REVITALIZATION OF THE SILK ROAD AND POSSIBLE BENEFITS FOR KAZAKHSTAN

When we compare our age with two thousand years ago, it can be easy to be fooled by the illusion of the superiority of modern civilization, technology, and communication. However, despite the passage of a long time, one of the achievements of that period that surprised us was the “Great Silk Road.” The Great Silk Road is not only a striking historical phenomenon; it is also an important accumulation for this destination route and for nations who reside in neighboring regions. European countries through to the Great Silk Road have had the opportunity to meet with China and its products considered exotic at that time to the West through the Kazakh steppes. Steppe rulers provided the service of securing trade caravans in return for a certain good or fee. The main route of the Great Silk Road, which passed through the territory of Kazakhstan, passed through the territory of modern Kazakhstan. The Silk Road connects Asia, Europe, and Africa, facilitating the exchange of goods and information and promises to further integrate the 4.4 billion people into a global network.

Kazakhstan, which is the ninth largest country in the world in terms of land and the largest landlocked nation in Central Asia, has all the conditions for foreign and domestic investment. The implementation of the state program, about 3 thousand billion dollars to 7.8 billion dollars (30%). At the same time, the volume of Kazakhstan has increased from 6 billion dollars to 7.8 billion dollars (30%). At the same time, the volume of Kazakhstan has increased from 6 billion dollars to 7.8 billion dollars (30%).

In a speech made by Xi Jinping, the President of the People’s Republic of China, at Nazarbayev University in Astana in 2013, stated that “China should undertake the vision of encouraging the world to rebuild the historical Silk Road.” This project is also known as the “Belt and Road Initiative,” which aims to develop economic ties and deepen cooperation between countries in the Eurasian region. The countries currently participating in this initiative are aware of the importance of the project and the development opportunities offered by trade and infrastructure investments. This network connects Asia, Europe, and Africa, facilitating the exchange of goods and information and promises to further integrate the 4.4 billion people into a global network.

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In this direction, it can be said that China is one of the most important partners of Kazakhstan. In the 21st century, Kazakhstan has an important role in the formation of the New Silk Road. The President of Kazakhstan, Kassym Jomart Tokayev, stated in his speech that with the Near East, Western Europe, and China, the routes allow goods to be delivered from China to Europe via Kazakhstan and back in 15 days, shipping by sea takes two times longer. It should be noted that during the January-August 2020 period, the trade turnover on the China-Europe-China route was 306.6 thousand TEU (twenty-foot equivalent unit) and this volume was 62% more than the same period in 2019.

Growth on the China-Central Asia-China route was 149.2 thousand TEU with a rate of 29%. Kazakhstan benefits from transit, which is directly reflected in an indicator such as service exports. Since 2013, the annual service export volume of Kazakhstan has increased from 6 billion dollars to 7.8 billion dollars (30%).

At the same time, the volume of goods produced by China to Kazakhstan has increased by 1.5%, and exports increased by 46.3 trillion dollars. Imports increased by 1.6% to 2.59 trillion dollars, while imports fell 1.1% to 2.05 trillion dollars. Goods produced by China are used in various parts of the world. At the same time, China imports various products from all parts of the world to meet its needs. Kazakhstan is an important transit country for China’s inland transportation efforts in its trade structure.

Kazakhstan, which has no access to the sea, tries to compensate for this disadvantageous situation by developing its transportation and transit potential in multiple ways. The Founding President of Kazakhstan, Nursultan Nazarbayev, during his visit to Ankara two years ago, noted that the Caspian Sea has great geopolitical importance due to its advantageous geographical location. Currently, Kazakhstan takes an important role in the development of transport between Europe and Asia. This system enables the delivery of goods from the east coast of China over the Caspian Sea to any point in Europe and Russia at the shortest possible distance.

In conclusion, the Belt and Road Initiative provides Kazakhstan with the opportunity to become an important country linking global world trade. Modern marketplace and geopolitical trends promise a modern revitalization of ancient transport lines. The biggest stakeholders in the country will not only be foreign investors but especially national companies that are ready to support a large transit volume through Kazakhstan in the coming years. At this point, the revitalization of the New Silk Road has an important place in the economic development of Kazakhstan.
Politics, Foreign Affairs, and Security

- The President of Kazakhstan Kassym-Jomart Tokayev held a meeting with the Minister for Development, Operation and Foreign Trade of Finland Ville Skinnari. President Tokayev mentioned that Finland remained a key investor among European countries and spoke in favor of maintaining a regular political dialogue at the highest level. The President called for implementation of joint projects in the field of telecommunications. Ville Skinnari mentioned the importance of cooperation and readiness of Finland to support these activities (Kazinform, 14.05.2021).

- According to the U.S. Deputy Assistant Secretary of State for South and Central Asian Affairs Jonathan Henick, the United States offers Kyrgyzstan and Tajikistan any support in resolving the border conflict. Speaking at a webinar hosted by the Atlantic Council in Washington, the U.S. foreign policy official stated that the situation was not resolved and peace and stability were necessary to create conditions for reconstruction work in the conflict zone. (Kabar, 11.05.2021).

- The Prime Minister of Georgia Irakli Gakharia paid an official visit to Armenia, where he held a meeting with the Head of the Armenian Government Nikol Pashinyan. The sides discussed a wide range of bilateral issues in fields of energy, economy, trade, cultural, educational cooperation and tourism. Special attention was paid to the development of transit potential of the two Caucasian states. The Georgian side reiterated its readiness in green technologies and the need for better interaction. (Agenda.ge, 12.05.2021).

- The Minister of Foreign Affairs of the Republic of Tajikistan Sirojiddin Mukhirzoda paid an official visit to China and met with the Chinese Minister of Foreign Affairs Wang Yi. The ministers discussed issues of bilateral relations, including plans to strengthen mutually beneficial multi-vector cooperation and signing of new intergovernmental documents. Following the talks, a program of cooperation between the diplomatic departments for 2021-2022 was signed (Central Asia Media, 11.05.2021).

- The Minister of Defense of Kyrgyzstan Taalabek Omuraliev received the military attaché of China on defense issues Zhang Yongchen. The general discussed the long-standing ties between the armed forces of the two states and discussed the goals and objectives of strengthening further military cooperation between the defense departments of Kyrgyzstan and China. The Ministers also exchanged views on the training and education of Kyrgyz specialists for the Armed Forces of the Kyrgyz Republic and expressed their readiness to make a significant contribution to strengthening cooperation between defense departments (Kabar, 11.05.2021).

- The Presidents of Kyrgyzstan and Afghanistan, Sadyr Japarov and Mohammad Ashraf Ghani held a telephone conversation. Leaders exchanged views on topical issues of the international and regional agenda and discussed a range of bilateral cooperation issues and ways to advance the development of the relationship. The Presidents also touched upon holding a meeting of the Kyrgyz-Afghan Intergovernmental Commission (Kabar, 13.05.2021).

Economy, Finance, and Energy

- All sectors of Kazakhstan’s economy are demonstrating positive dynamics. During the last four months of 2021, the country’s manufacturing sector increased by 7.7%. Investments in non-primary activities surged by 32.5%. For the reported period, foreign trade turnover amounted to $19.7 billion, of which $11.5 billion were Kazakhstan’s exports. The export of non-primary goods amounted to $4 billion increasing by 15%. As a result, the trade balance exceeded $3.3 billion. The country’s GDP grew by 0.7% (Qazax TV, 12.05.2021).

- The President of Uzbekistan Shavkat Mirziyoyev recently conducted a meeting, where he summed up the current results of the country’s economy. He mentioned that Uzbekistan’s exports in the first quarter of 2021 reached $3.2 billion; the GDP growth equaled 3%, while industrial and agricultural production grew by 4%. Pharmaceutical production has fallen by 22% due a surge in demand. In the reported period, foreign trade turnover amounted to $19.7 billion, of which $11.5 billion were Uzbekistan’s exports. The export of non-primary goods amounted to $4 billion increasing by 15%. As a result, the trade balance exceeded $3.3 billion. The country’s GDP grew by 0.7% (Qazax TV, 12.05.2021).

- The first unit of the Belarusian nuclear power plant is going through a comprehensive test of the equipment at the nominal level of power of the reactor installation. According to the Minister of Energy of Belarus Viktor Karankevich, its main goal is to satisfy the domestic demand for electricity. The Minister noted that if necessary, Belarus could export the electricity, which will be generated by the plant. In 2020, electricity consumption in Belarus equalled 38 billion kWh. The plant is expected to satisfy about 40% of the country’s needs (BelTA, 15.05.2021).

- As of May 1, the Russian-Kyrgyz Development Fund has approved almost 3,000 projects in all regions of the country worth $434.5 million. More than 50% of the projects are in manufacturing and agro-industrial sectors. Shares of agriculture and manufacturing in total portfolio amounted to 23% and 30%, respectively. Shares of transport and logistics, tourism and infrastructure development equaled 12% each. The lowest share equaled 1% and belongs to financial activities (Kabar, 14.05.2021).

- The Office of the Japan International Cooperation Agency (JICA) has launched a new Project for Agribusiness Development in Tajikistan, which is implemented by the Aga Khan Foundation. Recently, these two organizations distributed qualified agriculture inputs to the farmers in Khaftron region in the frame of the project. The project aims to improve agriculture output by providing farmers with sustainable access to quality inputs such as wheat, maize or fertilizers, as well as through construction of storage facilities (Asia-plus, 14.05.2021).

- Recently, Turkmenistan hosted an international oil and gas investment forum. Within the forum, the Minister of Energy of Turkmenistan Gurbanguly Berdymuhamedov received the Head of State Oil Company of Azerbaijan Rovnag Abdullayev. The parties discussed the implementation of the Dostlug joint field on the Caspian Sea and possibility of further intensifying strategic partnerships between the two countries in the oil and gas sector. Dostlug field has an estimated 60 million oil reserves and 100 billion cubic meters of natural gas reserves (Azernews, 16.05.2021).

Society and Culture

- The United States Agency for International Development (USAID) has launched a new regional water and environment project aimed at strengthening regional cooperation on transboundary water resources management in the Syr Darya and Amu Darya river basins. The five-year project has a budget of $24 million and is planned to be implemented in all five Central Asian countries and Afghanistan. The initiative will strengthen regional cooperation on transboundary water resources management in the Syr Darya and Amu Darya river basins and will help improve stability, economic well-being and ecosystem resilience for the people of Central Asia and Afghanistan (Tj.usembassy.gov, 12.05.2021).

- The Minister of Foreign Affairs of Uzbekistan, Abdalaziz Kamov met with a French delegation led by the Minister Delegate for Foreign Trade Françoise Noguès. The sides discussed bilateral relations in the political, trade, economic, cultural, humanitarian and other spheres, the sides paid special attention to issues related to the preparation of upcoming joint events at various levels. The French side expressed its readiness to provide assistance in organizing an exhibition in the fall of 2022 entitled “Splendor of Central Asia. On the caravan routes of Uzbekistan” at the Louvre Museum in Paris (Dunya.info, 10.05.2021).

- Turkmenistan received a large consignment of the Sputnik V vaccine. CoronaVac, developed by the Chinese company Sinovac, the joint fight against the coronavirus pandemic was previously discussed during a telephone conversation between the President of Turkmenistan Gurbanguly Berdymuhamedov and the Prime Minister of China Xi Jinping. Access to sufficient amounts of vaccine helped Turkmenistan start vaccinating its population from among risk groups (CentralAsiaMedia, 10.05.2021).

- The presentation of the art album "Reading Abai" was held at the Embassy of Kazakhstan in Budapest. The album included the works of leading artists of the Turkic world, created on the basis of the works of the outstanding poet, as well as honoring the figures who made a significant contribution to the popularization of his heritage in Hungary. During the ceremony, the Secretary General of TURKSOY Dyussen Kaseinov awarded the TURKSOY medal of honor "175 years of Abai" to the Director of the Turkic Council in Budapest Janos Khovari (Kazinform, 13.05.2021).

- The Government of Uzbekistan provided humanitarian assistance to India in connection with the difficult epidemiological situation in the context of the COVID-2019 pandemic. The humanitarian aid had a total weight of about 40 tons including medical masks, respirators, protective suits and portable Kazakhstani-made artificial lung ventilation devices. The ceremony of its transfer at the airport was attended by the Ambassador of Kazakhstan to India Nurlan Zhalgasbayev and the Director of the Department of Eurasian Cooperation of the Ministry of Foreign Affairs of India Darshan Wilsonbub (Kazinform, 14.05.2021).

- The Tajik Ambassador Extraordinary and Plenipotentiary to Kazakhstan Khanullo Ibdoszoda met with the Minister of Ecology, Geology and Natural Resources of Kazakhstan Magzum Mirzagaliev. During the meeting, the parties discussed the development of cooperation between Tajikistan and Kazakhstan in the field of environmental protection. The parties also exchanged views on strengthening cooperation within the framework of international organizations, including the International Fund for Saving the Aral Sea and the Regional Environmental Center for Central Asia (Avesta.tj, 15.05.2021).